

Life with Abacus

Daily

We are available by phone or email to answer your questions.

We review all of the cash flows in your accounts at TD Ameritrade, Charles Schwab, and Future Scholar. If we notice any unusual activity, we will contact you.

Monthly

Investment team meetings: The members of the investment team meet weekly to discuss global macro trends, share critical readings, assess portfolio risks, and discuss specific investment opportunities.

Asset class review: Each member of the investment team has primary research responsibility for multiple asset classes. This responsibility includes monitoring macro trends in each asset class, reviewing current investments and future opportunities, and composing "white papers" which detail Abacus' approach to each asset class.

Investment manager review: The investment team schedules a teleconference or an on-site visit with each key fund manager in your portfolio. The team also produces and analyzes monthly fund reviews from the Morningstar database, reviewing qualitative and quantitative factors in detail for each of the mutual fund companies in which you are invested.

Financial planning team meetings: The members of the financial planning team meet monthly. The team focuses on continuing education, discussing case studies, building technical skills, and determining the impact of any regulatory changes on clients' financial plan.

Abacus newsletter: You will receive *Smart Notes* each month. The goal of the newsletter is to provide you with food for thought and keep you updated on current trends in the financial planning and investment management industry.

Portfolio rebalancing: Your investment advisor reviews your portfolio throughout the month to determine whether your portfolio investments are consistent with your investment policy guidelines. Your advisor may execute trades to rebalance or raise cash in a proactive manner.

Portfolio reports: Your portfolio report is posted monthly to your secure client vault by the 15th of each month, giving you a snapshot of investment positions, year-to-date returns, and your current asset allocation.

Semi-annual

Portfolio report with commentary: We send a portfolio performance report twice per year, accompanied by a letter from the investment team with our perspective on current trends that relate to your portfolio and your overall financial plan.

Appointment with Abacus: We will contact you to schedule a meeting twice per year to review the progress of your financial plan, review your portfolio, and discuss any questions you have. We welcome interim requests for meetings during times of personal transition or concerns.

January

Individual Retirement Account contributions: We contact you at the beginning of each year to discuss your annual Individual Retirement Account Contributions. We verify any changes to your allowable amount or contribution type based on changes in law, your age, or your income tax status.

Retirement plan and Health Savings Account deferral amounts: We contact you at the beginning of each year to remind you of the maximum amounts you can contribute to your retirement plan at work and, if appropriate, your health savings account.

Portfolio review: Your investment advisor performs an in-depth review of your portfolio twice per year. Your advisor reviews current asset allocation versus target weightings, considers opportunities for tactical allocation shifts, ensures that cash balances are appropriate, reviews your mix of underlying investments, considers opportunities for tax-loss harvesting, and makes certain that your portfolio remains optimally positioned considering both your investment goals and general market conditions. Your advisor also carefully reviews the performance of each individual fund holding versus appropriate benchmark indices for each asset class.

Minimum required distribution calculations: If appropriate, we calculate your minimum required distribution for the current tax year and make the necessary arrangements in the portfolio. We schedule this distribution for November to take advantage of the additional tax-deferred growth. We monitor it to be sure it takes place.

Annual gifting: We contact you at the beginning of each year to remind you of the maximum amount you may gift to family members and others without filing a gift tax return. We will ask whether you would like Abacus to coordinate any of these gifts.

February

Income tax letter: We prepare a letter for you and your CPA to communicate federal and state income tax documentation issues, e.g., our fees, long term health care premiums, charitable gifts of appreciated securities, margin interest, and 529 college education expenses.

March

Age triggering review: We have taken great care to create a number of age appropriate checklists that allow us to take advantage of planning opportunities. For example, we run a database report two times per year and query all clients turning age 65 in the next six months. This allows us to be proactive in our planning for the many changes you face at different ages in life.

Roth conversion of non-deductible IRA contributions: If appropriate, we convert your non-deductible Individual Retirement Account (IRA) contributions from January to your Roth IRA to allow that contribution to grow tax-free.

April

Income tax filing and assistance to CPAs: April is a hectic time of year for your CPA. We diligently answer you or your CPAs questions about and/or provide documentation for your income taxes for the previous year. We value the partnership we create with your CPA to offer the best tax planning and follow-through possible.

May

Income tax review: Our goal is to insure that you are maximizing after-tax wealth accumulation. We review your income tax return for compliance, tax planning opportunities, and tax efficiency. We review for compliance to make sure all proper deductions, credits and opportunities are utilized, e.g. property tax deduction, proper reporting of non-deductible IRA contributions, etc. We review to make sure we are planning for all tax savings strategies particularly in times of tax law changes or client transitions, e.g. Roth conversions. Finally, we review for overall tax efficiency of the portfolio to make sure that we are paying the necessary attention to the tax drag on the timing and characteristics of dividends, capital gains and ordinary income from the portfolio.

Continuing education: All Abacus team members attend at least one national conference each year. Most conferences are held in May or October and you will usually find five or six of us out of the office during these two months. Our continuing education budget is three times the national average for a firm our size.

July

Portfolio review: (See January)

Long-term cash flow projections: We review your financial independence assumptions to make sure that key assumptions, such as the rate of inflation, are still viable and that you are on track for your long term plan. Any life transition, such as an inheritance, triggers an update of these projections, which in turn leads to a discussion with you.

Education funding: We review the progress in your education funding goals. We review critical assumptions, and if appropriate, discuss with you the child's current educational aspirations. We make sure that you are taking advantage of the appropriate savings vehicle and are on track for the family's goals.

August

Firm-wide strategy days: All Abacus team members meet for an off-site strategy day to discuss the big picture initiative and direction of the company. We have a facilitator for the day who guides us through our conversation. The Financial Planning and Investment Teams have separate strategy day meetings to discuss the direction of their individual team.

September

Estate planning review: Your financial advisor reviews your estate plan to make sure it continues to reflect your goals and minimizes the impact of estate taxes. As the estate planning laws are in flux for the next five years, we will monitor these changes and make recommendations as to ownership of assets, beneficiary designations, changes to your documents or the need to gift to family members.

Net worth summary/net worth comparison: In coordination with your estate planning review, we prepare a net worth summary as a snapshot of all your financial assets. We also provide a year-to-year comparison of your net worth. The comparison also shows your net contribution/withdrawal for the year to track your true growth. The net worth summary allows us to review your current estate plan as well to discuss any necessary changes.

October

Risk management: Your financial advisor reviews all of your insurance policies. We review the credit quality of the insurance companies, consider the appropriateness of the coverage and request additional information on certain types of coverage to make sure that you are protected in the event of a catastrophic life event.

Medicare Part D enrollment: If appropriate, we will contact you to request information to determine which Medicare Part D prescription drug plan is best for you for the upcoming year.

Each year the insurance providers and their plans enter and exit the marketplace. We will assist you in determining the plan with the best coverage at the lowest cost for your particular needs.

Roth recharacterization: If you made a Roth conversion in the previous year, we will review whether a partial or full recharacterization (reversal of that conversion) is in your best interests. We will communicate with you and your CPA to notify you of any change to your conversion.

November

Submit and monitor minimum required distribution: If appropriate, we submit and monitor your minimum required distribution.

Charitable gifting: We insure that you have made your charitable gifts in the most tax advantageous manner. Typically we begin this process in January with recommendations and then we follow up in November to be sure the gifts are complete.

Annual gifting: If appropriate, we verify that you have gifted the annual exclusion amount to your appropriate heirs. In 2016, this amount is \$14,000 per individual.

December

Portfolio gain distribution review: The investment team reviews the upcoming capital gain distributions from your mutual funds to determine whether a short-term change in your investment would help you avoid an unnecessary tax liability.

Income tax planning: If appropriate, we review your end of year income tax planning to make sure estimated tax payments are on target, consider whether a Roth conversion might be appropriate, and verify you have maximized your contributions to your various tax-deferred retirement accounts.

Year-end review: We review an end of the year checklist to confirm all calendar year sensitive items have been completed, and we will contact you if any items are outstanding.